



ODFJELL ASA  
PRELIMINARY RESULT 2000

- Improved operating result through the year due to positive market development
- Growth in turnover due to Seachem merger and acquisition of Odfjell Terminals (Rotterdam)
- Improved operating cost partly because of a strong USD
- Considerable increase in bunker cost

#### RESULTS

Turnover increased to USD 698 mill. in 2000 up from USD 551 mill. in 1999. In the fourth quarter turnover was USD 207 mill., an increase of 40% over the same period in 1999. Operating result before depreciation for 2000 was USD 113 mill. (compared to USD 86 mill. in 1999) while operating result after depreciation was USD 44 mill. (USD 46 mill.). Fourth quarter operating result after depreciation was USD 19 mill. (USD 6 mill.).

The result for 2000 came in at a loss of USD 12 mill. (compared to a profit of USD 16 mill. in 1999 including, then, a non-recurring sale profit of USD 16 mill.). Cash flow was USD 56 mill. (USD 72 mill.). The fourth quarter result was a profit of USD 5 mill. (USD 1 mill.). The result before currency items and taxes in the fourth quarter was a profit of USD 6 mill. (USD 1 mill.) compared to a loss of USD 5 mill. in the first quarter, a loss of USD 4 mill. in the second quarter and break-even in the third quarter.

The market improved during the year with freight rates expressed in USD per day for our fleet increasing by about 18% from first to fourth quarter. The improvement in the fourth quarter was 6% compared to third quarter. Our result was negatively impacted by high bunker costs, which were about USD 31 mill. or more than 50% higher than for 1999. Operating cost on a comparable fleet basis showed a reduction of about 15% compared to 1999, half of which was due to the strong USD.

Odfjell Terminals (Baytank) had a positive result of USD 7.7 mill. before tax (USD 8.5 mill.). The result for Odfjell Terminals (Rotterdam) was USD 5.8 mill. before tax for the second half. Due to the increases in the terminal activities we have moved the reporting of turnover from other income to gross revenue and other cost to operating expenses and general and administrative expenses. Our 50% share of Hoyer-Odfjell gave a loss of USD 2.6 mill. (loss of USD 1.4 mill.). We have more than doubled the tank container business from about 2,300 to about 5,000 units since start-up two years ago.

General and Administrative expenses are about 10% higher than in 1999 due to the growth of our business. This item now includes expenses previously reported under other cost. The increase in depreciation was primarily caused by the delivery of new vessels, and the acquisition of Odfjell Terminals (Rotterdam). Due to increased borrowings and higher interest rates net financial cost was more.

The average USD/NOK exchange rate was 8.78 (7.80). The strengthening of the USD/NOK rate from 8.04 at year-end 1999 to 8.89 at year-end 2000 negatively impacted our currency hedging portfolio, resulting in a cost of USD 8 mill. (USD 3 mill.).

#### LIQUIDITY AND FINANCING

Group liquid assets as of 31 December 2000 increased to USD 231 mill. from USD 218 mill. as of 31 December 1999.

Long-term financing to cover 65% of the acquisitions following the Seachem merger as well as two of the three remaining newbuildings at Kleven Florø has been arranged at satisfactory terms.

## MAJOR TRANSACTIONS

In connection with the merger with Seachem 4,926,734 shares were issued to Chemlog ApS at NOK 208 per share, equalling NOK 1,024.8 mill. in new equity. In the period June to August 2000 nine Seachem vessels and four newbuilding contracts were transferred to our ownership. The remaining 11 Seachem vessels have been delivered to our commercial management on a pool basis.

On 21 January 2000, we took delivery of M/T "BOW CENTURY" from Kleven Florø. In December 2000 Odfjell declared an option and consequently entered into a contract with Kleven Florø for the construction of one sophisticated chemical tanker. The 37,500 tdw. vessel with 48 cargo tanks of stainless steel, will be a sister vessel to the series of newbuildings delivered from Kleven Florø. The vessel is scheduled to be delivered 15 December 2003. The price of the vessel will be approx. USD 50 mill. The contract is part of our long-term fleet development, as the new vessel will replace existing tonnage.

On 19 June 2000 Odfjell Terminals (Rotterdam) was taken over, the total investment being USD 66 mill.

## SHAREHOLDER INFORMATION

During 2000 the price of the Odfjell A-share rose by 35%, from NOK 100 to NOK 135. The B-share appreciated from NOK 95 to NOK 120, an increase of 26%. The Oslo Stock Exchange shipping index fell by 3%, and the new transportation index rose by 14% during 2000.

Earnings per share for the year were negative USD 0.49 (positive USD 0.74) and, cash flow per share was positive USD 2.33 (USD 3.32).

As a result of our stock repurchase program we have in 2000 acquired 274,000 A-shares at an average price of NOK 126.30 per share and 641,600 B-shares at an average price of NOK 117.85 per share, at a total cost of NOK 110.2 mill. which represent about 3.4% of total issued shares in the company.

## ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 8 May 2001 at 15:00 hours at Company's headquarters.

The Board of Directors recommends an unchanged dividend of NOK 4.00 per share, equal to NOK 107 mill.

## PROSPECTS

We expect the chemical tanker market to continue improving in 2001. This is due to reduced supply of new tonnage combined with a continuous growth in demand. The company is presently benefiting from the strong market for clean petroleum tonnage. During the autumn of 2000 a number of freight contracts were renewed at substantially higher rates.

One of the major risk factors is a further weakening of the US economy, and its impact on world chemical movements. Cost of bunker and USD interest rates are expected to be lower in year 2001 compared to year 2000.

Through the merger with Seachem and the acquisition of Odfjell Terminals (Rotterdam) the company has significantly strengthened its market position as a total logistics service provider.

Bergen, 13 February 2001  
The Board of Directors of Odfjell ASA

Odfjell is the leading player in the global market of transporting chemicals and related logistical services. The fleet totals 85 vessels, trading both globally and regionally, of which 49 are owned by the group. Odfjell additionally owns and operates tank terminals and tank containers. Priority is being given to further developing the company's integrated logistical services.

**Odfjell ASA - Group**  
**Report 4th quarter 2000**

	1.1.-31.3	1.4-30.6	1.7-30.9	1.10-31.12	1.10-31.12	1.1-31.12	1.1-31.12
STATEMENT OF INCOME (USD mill.)	2000	2000	2000	2000	1999	2000	1999
Gross revenue	142	147	201	207	148	698	551
Voyage expenses	(56)	(58)	(79)	(73)	(61)	(266)	(193)
Time-charter expenses	(32)	(34)	(41)	(45)	(32)	(152)	(130)
Operating expenses	(26)	(26)	(36)	(39)	(26)	(127)	(110)
<b>Gross profit</b>	<b>27</b>	<b>29</b>	<b>46</b>	<b>50</b>	<b>29</b>	<b>153</b>	<b>119</b>
Other income	-	-	-	-	-	-	-
Other cost	-	-	-	-	-	-	-
General and administrative expenses	(8)	(8)	(11)	(12)	(8)	(39)	(33)
<b>Operating result before depreciation and gain (loss) on sale of fixed assets</b>	<b>19</b>	<b>21</b>	<b>35</b>	<b>38</b>	<b>21</b>	<b>113</b>	<b>86</b>
Depreciation	(15)	(15)	(19)	(20)	(15)	(69)	(56)
Gain (loss) on sale of fixed assets	(0)	0	-	-	-	-	16
<b>Operating result</b>	<b>4</b>	<b>6</b>	<b>16</b>	<b>19</b>	<b>6</b>	<b>44</b>	<b>46</b>
Interest income	3	3	3	3	3	12	13
Interest and fees paid	(13)	(13)	(16)	(17)	(11)	(59)	(42)
Other financial items	0	0	(1)	1	1	0	1
Currency gain (losses)	(2)	4	(9)	(1)	0	(8)	(3)
<b>Net financial items</b>	<b>(11)</b>	<b>(6)</b>	<b>(23)</b>	<b>(14)</b>	<b>(7)</b>	<b>(55)</b>	<b>(30)</b>
<b>Net result before extraordinary items and tax</b>	<b>(7)</b>	<b>(1)</b>	<b>(8)</b>	<b>5</b>	<b>(1)</b>	<b>(10)</b>	<b>16</b>
Taxes	(0)	0	(1)	(0)	1	(2)	1
<b>Net profit before minority interest</b>	<b>(7)</b>	<b>(1)</b>	<b>(9)</b>	<b>5</b>	<b>1</b>	<b>(12)</b>	<b>16</b>
<b>Minority interest</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net profit after minority interest</b>	<b>(7)</b>	<b>(1)</b>	<b>(9)</b>	<b>5</b>	<b>1</b>	<b>(12)</b>	<b>16</b>
<b>Earnings per share (USD)</b>	<b>-0,34</b>	<b>-0,03</b>	<b>-0,33</b>	<b>0,18</b>	<b>0,03</b>	<b>-0,49</b>	<b>0,74</b>
<b>Cashflow per share (USD)</b>	<b>0,35</b>	<b>0,63</b>	<b>0,41</b>	<b>0,90</b>	<b>0,69</b>	<b>2,33</b>	<b>3,32</b>
<b>Average number of shares outstanding (mill.)</b>	<b>21,80</b>	<b>22,80</b>	<b>26,30</b>	<b>26,80</b>	<b>21,80</b>	<b>24,30</b>	<b>21,80</b>
	<b>31.03</b>	<b>30.06</b>	<b>30.09</b>			<b>31.12</b>	<b>31.12</b>
<b>BALANCE SHEET (USD mill.)</b>	<b>2000</b>	<b>2000</b>	<b>2000</b>			<b>2000</b>	<b>1999</b>
Vessels	885	910	994			979	826
Newbuilding contracts	8	14	31			38	11
Tankterminals	114	175	179			189	111
Other long-term receivables and fixed assets	41	49	52			55	42
Other current assets	70	92	99			114	63
Bank deposits and marketable securities	216	217	212			231	218
<b>TOTAL ASSETS</b>	<b>1 335</b>	<b>1 457</b>	<b>1 569</b>			<b>1 606</b>	<b>1 271</b>
Shareholder's equity	430	513	532			542	451
Minority interest	0	0	5			5	0
Long-term debt	818	845	941			955	749
Short-term debt	86	99	90			104	71
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>1 335</b>	<b>1 457</b>	<b>1 569</b>			<b>1 606</b>	<b>1 271</b>
<b>KEY FIGURES</b>							
Share price per A-share in USD	15,40	12,83	14,84			15,18	12,40
Book equity per share (USD)	19,70	20,62	19,87			20,24	20,60
Debt repayment capability (Years)	19,90	14,31	16,65			12,80	9,50
USD/NOK rate	8,44	8,57	9,1			8,89	8,04